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25 AUG 1978

MEMORANDUM FOR: Deputy Director for Administration
 FROM: James H. McDonald
 Director of Logistics
 SUBJECT: Determinations and Findings for DDO
 Procurement under 10 U.S.C. 2310

DD/A Registry
File Equipment + Supplies -4

1. (U) Action Requested: Approval of the attached determinations and findings is requested.

2. (C) Background: The Deputy Director for Operations (DDO) has requested that services of the [REDACTED] be procured for implementation of the Directorate of Operations (DO) Information Control System. The DDO avers that procurement by negotiation of such services from the [REDACTED] is necessary to protect the DO's sources and methods.

3. (U) Staff Position: This action was presented to the Deputy Director for Administration (DDA) by way of memorandum from the DDO dated 6 July 1978. The DDA approved the DDO's request for procurement of services from the [REDACTED] subject to development of an appropriate determinations and findings by the undersigned.

4. (U) Recommendation: It is requested that the DDA review and sign the attached determinations and findings for procurement of services from the [REDACTED] implementing the DO Information Control System for fiscal year 1979. This determinations and findings has been prepared for signature in accordance with 10 U.S.C. 2310.

/s/ [REDACTED]

for James H. McDonald

Att

/s/ John F. Blake

APPROVED:

Deputy Director for Administration

DISAPPROVED:

Deputy Director for Administration

29 AUG 1978

DATE:

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when separated from Attachment~~SECRET~~

OL 8 3186a

E-2 IMPDET CL

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COMPT 78-1308

Eqipg + Suppliers

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20 NOV 1978

DD/A Registry

78-258871

MEMORANDUM FOR: Deputy to the DCI for Resource Management

FROM: Michael J. Malanick
Acting Deputy Director for Administration

SUBJECT: NFIP Procurement Actions

REFERENCES: (a) Memo to [REDACTED], dtd 2 Aug 77,
fm D/L, Subject: Study and Recommendations for DCI Policy on NFIP Procurement
dated 21 July 1975

(b) Memo for John McMahon, dtd 24 Aug 77,
fm ADDCI, Subject: Proposed Directive --
"NFIP Procurement Policy"

(c) Memo for NFIP Managers, dtd 26 Jun 78,
fm D/DCI/RM, Subject: FY 1978 NFIP
Procurement Actions

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1. Action Requested: It is recommended that information included in this memorandum and its attachments be used in preparation of the report on NFIP procurement actions which is required by reference (c).

2. Background:

In July 1977, Mr. [REDACTED] of the Intelligence Community Staff (since changed to Resource Management Staff) handcarried to Mr. [REDACTED] Chief, Procurement Management Staff, Office of Logistics, for review and comment, a document identified as "Study and Recommendation for DCI Policy on NFIP Procurement." CIA comments on this draft paper were provided via reference (a). Comments on the paper, plus requested statistical information on CIA procurement, were provided in that response. Also provided in that memorandum was the fact that CIA does not compile information on its contracting activity by cost category.

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Unclassified when
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attachments

OL 8 3076a

E2 IMPDET
CL BY: [REDACTED]

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SUBJECT: NFIP Procurement Actions

The reference (b) memorandum provided comments on a final draft of the subject directive, confirmed CIA's commitment to the principle of competition, and reiterated the fact that CIA data systems could not produce data on procurement activity by subobject class.

Reference (c) cited the subject, NFIB-74.2/25, dated 3 November 1977, and levied a requirement on National Foreign Intelligence Program managers for annual reporting on various aspects of their procurement activities.

3. Staff Position:

The CIA operates its procurement activity to the maximum practicable extent in accordance with the Defense Acquisition Regulation (DAR), formerly identified as the Armed Services Procurement Regulation (ASPR). We have accordingly relied on that body of regulation (DAR 21-126) for definition of the terms competitive versus noncompetitive. Application of these definitions and applicable variations is evident in Attachment 2.

Specific summary information requested by reference (c) is included in Attachment 1.

We have also included an Attachment 2 which presents further detail and a more comprehensive picture of follow-on actions and noncompetitive actions.

4. Recommendation: It is recommended that feedback on the composite results of this report be provided to each of contributing NFIP managers.

[REDACTED] /s/ Michael J. Malanick

Michael J. Malanick

[REDACTED] to OF)

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2 AUG 1977

MEMORANDUM FOR: Intelligence Community Staff

25X1A

ATTENTION: [REDACTED]

VIA: Comptroller

FRGM: James H. McDonald
Director of LogisticsSUBJECT: Study and Recommendations for DCI Policy
on NFIP Procurement dated 21 July 1975 (U)

1. (U) You have asked that CIA review the subject paper and provide comments on study results therein, as well as on a proposed NFIP Procurement Policy. The paper also requests certain statistics on CIA procurements during the years FY 1973 through July 1977.

2. (U) This memorandum provides requested information. Comments on study results and on the draft procurement policy are included in Attachment 1. Statistical inputs, along with any descriptive or qualifying language, are included in Attachment 2.

3. (U) Statistical information herein excludes expenditures against CSA's Federal Supply Schedules, Mil Strip/Fed Strip requisitioning, requisitioning activities against other Federal agency stores, and small purchasing activities.

ILLEGIB
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Separated from Attachment 2

OL 7 3445

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Staff Study and Recommendations (U)

A. Staff Study

1. Cover Page--Date probably should be FY-1977 vs FY-1975.
2. Page 2, Responsibilities, 3---The Armed Services Procurement Act of 1949, as amended, is the source of authority for the ASPR and should be cited in addition to the Federal Property and Administration Services Act.
3. Page 2, Conclusions and Recommendations, 1st paragraph--
Same comment as 2 above.
4. Page 3, It is appropriate for the DCI to: Subparagraph b recommends "that NFIP Program Managers take steps within the framework of these Regulations to continue the increases in competitive purchases and the number of participating firms noted in recent years."

Page 3, first numbered paragraph, states that "Responsibility for implementing the provisions of Armed Services and Federal Procurement Regulations rests with the heads of procurement activities, and individual contracting officers."

Question: The language in the above two quotes leaves some doubt as to who has responsibility. If the program manager and the Agency head are synonymous, that fact should be brought out. If the two terms are not synonymous, we believe the designation of heads of agencies and individual contracting officers as being responsible or implementing procurement regulations is the better usage. This same question is applicable to Tab A, Page A-2, 2nd unnumbered paragraph.

B. Tab A

1. Page A-1, 2nd unnumbered paragraph--Requires citation to the Armed Services Procurement Act of 1949, as amended.
2. Page A-3, penultimate paragraph--
 - a. In the phrase satisfactory "level of performance," the work "record" should be substituted for "level (see ASPR 1-903.1 (iii))."

b. Also, recommend the addition of the following mandatory standards set forth in ASPR 1-903.2:

- (i) "have the necessary organization, experience, operational controls and technical skills, or the ability to obtain them."
- (ii) "have the necessary production, construction, and technical equipment and facilities, or the ability to obtain them."

c. Change the phrase "delineating the standards" to determining whether a prospective contractor satisfies the applicable Regulation's standards for responsibility.

3. Page A-6 - The distinction between "qualified bidders/respondents" and the number of "responsible prospective contractors" is obscure.

Both ASPA and FPASA address requirement for procurement from "qualified sources."

The term "responsible prospective contractor" addresses an affirmative determination that the contracting officer must make prior to the award of a contract (see ASPR 1-902.)

C. Tab B

1. Page B-1--Responsibilities, paragraph d, requires citation to the Armed Services Procurement Act of 1949, as amended.

2. Page B-3--paragraph c, the use of the term "Senior Contracting Officer" is obscure. The general standard is set forth in ASPR 3-101 as follows:

"Except for procurement of electric power or energy, gas (natural or manufactured), water, or other utility services, and procurement of educational services from nonprofit institutions, contracts in excess of \$10,000 shall not be negotiated on a non-competitive basis without prior review at a level higher than the contracting officer to assure compliance with this subparagraph."

The term "Senior Contracting Officer" is imprecise. Each contracting officer is knowledgeable of who performs the

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next level of review for those contract actions falling within the ambit of this ASPR provision.

3. Page B-3, paragraph d--The requirement to solicit "...bids, proposals, or requests for quotations from all qualified sources is infeasible. It also contradicts paragraph b on page B-2.

Both the ASPR and FPR require competitive solicitation from the "maximum number of qualified sources consistent with the nature and requirements of the supplies of services to be procured." See ASPR 3-101(b).

The above provision has been interpreted to mean a sufficient number of sources to guarantee fairness in the procurement process.

4. Page B-4, Action Required, paragraph a--The term "Program Managers" is obscure. The responsibilities assigned to the "Program Manager" appear to be identical to those assigned to the contracting officer, see Study, page 3, bullet 1, Tab A, page A-2, second and third unnumbered paragraphs, Tab A, page A-3, second unnumbered paragraph.

It would appear more appropriate, given the statutory and regulatory language paraphrased in this Study, to assign responsibility for insuring use of competition in the procurement process to the Agency's procurement organization. The "Program Manager" derives his authority from a technical requirements organization and not from the procurement organization.

5. Page B-4, Action Required, paragraph b.

The comments given for paragraph a, regarding the responsibilities of the "Program Manager", are also appropriate for this paragraph. The type of information required is normally generated and managed by the Agency procurement organization.

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Next 3 Page(s) In Document Exempt

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24 Aug 1977

MEMORANDUM FOR: Mr. John N. McMahon
Acting Deputy to the DCI for
the Intelligence Community

FROM: John F. Blake
Acting Deputy Director of
Central Intelligence

SUBJECT: Proposed Directive --
"NFIP Procurement Policy"

REFERENCE: a. Memo dtd 16 Aug 77 to A-DDCI
fm A-D/DCI/IC, same subject

b. Memo dtd 2 Aug 77 to ICS (Attn:
[REDACTED] fm D/L, subject:
Study and Recommendations for
DCI Policy on NFIP Procurement,
dtd 21 July 1975 (OL 7 3445)

25X1A

1. Reference a. forwarded to this Agency a final draft
of a Proposed Directive on procurement which was prepared by
the Intelligence Community Staff at the direction of the
Senate Select Committee. Comments on an earlier draft were
previously provided by our Director of Logistics to your
Mr. [REDACTED] via reference b.

2. CIA comments and/or recommendations on the staff
study and Proposed Directive are included in attachment
hereto. This Agency has committed itself to the principle
of competition in its procurement and concurs with the intent
of the DCI's directive. As previously indicated in reference
b., the reporting requirements of the Proposed Directive will
cause problems since our Contract Information System, as
presently structured, cannot produce the necessary data in
the required formats and categories.

15/ John F. Blake
John F. Blake

Att

OL 7 3810

Administrative - Internal Use Only

Study and Recommendations for DCI Policy
on NFIP Procurement

A. Staff Study

Page 4, para b., recommends "that NFIP Program Managers take steps within the framework of these Regulations to continue the increases in competitive purchases and the number of participating firms noted in recent years."

Comment: The above language places responsibility with NFIP Program Managers but does not define who the Program Managers are. We believe this should be clarified, as in other paragraphs of the paper, to indicate Agency Heads/Program Directors. This will establish the organizational identification of the Program Director at the Agency Head level.

B. Tab A

1. Page A-4 -- Cost Category - Operating Expenses, and Cost Category - Investment.

Comment: The terms "operating expenses" and "investment" need additional definition as they are not commonly used as reporting elements for Federal Government procurement. Also, as discussed in the reference b. memo, the reporting of procurement information in the categories and formats proposed gives this Agency difficulty in that our management information system on Agency procurement is not structured to provide the information as requested.

2. Page A-5, last paragraph, line 2.

Comment: The year 1972 has been inserted vice 1973 in the original draft. This probably is a typo.

C. DCI Directive

Page B-3, paragraph c., last sentence.

Comment: The language "without prior review at a level higher than the contracting officer to assure compliance" seems to be incomplete and perhaps should be expanded to indicate the regulation with which the contracting officer must be in compliance.

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TO	NAME AND ADDRESS	DATE	INITIALS
1	Deputy Director for Administration	3 JUL 1978	<i>LJ</i>
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4	D/OL		<i>J</i>
5			
6	Action: Issue by 15 Nov.		
ACTION	DIRECT REPLY	PREPARE REPLY	
APPROVAL	DISPATCH	RECOMMENDATION	
COMMENT	FILE	RETURN	
CONCURRENCE	INFORMATION	SIGNATURE	

Remarks: Jack:

Attached is the RMS call for the CIA Report on FY 1978 Procurement Actions (as required by NFIB-74.2/25 of 8 November 1977). We believe that OL is in the best position to assemble the contract information called for and to prepare the required report. Accordingly, action responsibility on this is assigned to the DDA.

You may recall that OL commented on the initial draft of NFIB-74.2/25 and has been in contact with RMS representatives on what contract information is available in our files. We alerted OL a couple of weeks back that the attached would be issued soon and would include details on report format and content.

(Over)

STATINTL

[REDACTED]		RETURN TO SENDER
FROM	ND PHONE NO.	DATE
James H. Taylor, Comptroller		
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FORM NO. 237 Use previous editions

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1-67

Approved For Release 2002/01/08 : CIA-RDP81b0142R000200040001-8
by
21 November covering FY 1978 procurement
actions. Please have the report forwarded
to this Office a few days in advance of
the due date for review and transmittal
to the RMS.

JHT

*Can't complain about
send some here*

Washington, D.C. 20505

DCI/IC 78-3874

Intelligence Community Staff

JUN 26 1978

COMPT

78-0655

MEMORANDUM FOR: National Foreign Intelligence Program Managers

STATINTL FROM: [REDACTED]

Deputy to the DCI for Resource Management

SUBJECT: FY 1978 NFIP Procurement Actions

REFERENCE: NFIP Procurement Policy, dtd 8 Nov 1977
(NFIB-74.2/25, dtd 8 Nov 1977)

1. The reference, which establishes policy and reporting procedures for the procurement of goods and services by NFIP entities, requires an annual report of action taken in accordance with the guidance provided.

2. Information submitted in accordance with the reference should reflect FY 1978 procurement actions taken during the period 1 October 1977 through 30 September 1978, and be presented in the following format:

a. Total dollar value of all procurement actions taken during FY 1978;

b. Total dollar value of competitive procurement actions exceeding \$10K (for each action) taken during FY 1978; and the dollar value of competitive procurement actions taken with firms vending to NFIP entities in FY 1978 for the first time.

c. Total number of competitive procurement actions exceeding \$10K (for each action) taken during FY 1978; and the number of new firms included in the list of bidders in FY 1978.

d. Total dollar value of competitive procurement actions exceeding \$10K (for each action) taken during FY 1978 by appropriation/object-subobject class:

1) Operations

DoD (O&M)	CIAP	(Object Class 21; 22; 23; 24; 25, less sub-object classes 2530, 2542 and 2545; Object class 26 and 40.)
	State/INR	
	DOE	
	FBI	

2) Capital Assets

DoD (Procurement) CIAP (Object class 31)
State/INR
DOE
FBI

3) R&D

DoD (RDT&E) CIAP (Subobject class 2530)
State/INR
DOE
FBI

4) Construction

DoD (Mil. Constr.) CIAP (Object Class 32)
State/INR
DOE
FBI

1978

e. Total number of competitive procurement actions exceeding \$10K (for each action) taken during FY 1979 by appropriation/object-subject class--as set forth in paragraph 2d. above.

f. Total number of competitive procurement actions exceeding \$10K (for each action) taken during FY 1978 with firms vended to NFIP entities in FY 1978 for the first time--as per subparagraph 2d. above.

g. Total dollar value of competitive procurement actions exceeding \$10K (for each action) taken during FY 1978 with firms vended to NFIP entities in FY 1978 for the first time--as per subparagraph 2d. above.

3. The required report should reach the ICS, Office of Program and Budget Development, by 21 November 1978. Questions concerning this data requirement may be referred to [REDACTED]

STATINTL

Distribution:

- 1 - D/Under SecDef for Policy (Murphy)
- 1 - Principal Dep Under SecDef for R&E (Dinneen)
- 1 - Director, DIA (Tighe)
- 1 - Director of Naval Intel (Harvey)
- 1 - Director, NSA (Inman)
- 1 - Under Secretary of AF (Mark)
- 1 - S/A for National Security, Treasury (Collins)
- 1 - Director, State/INR (Bowdler)
- 1 - Director, Def Investigative Prog Office (Morrow)
- 1 - P/D Asst Sec for International Affairs, DOE (McDonald)
- 1 - Asst Director, Intel Division, FBI (Cregar)
- 1 - DCI

1 - DDCI (Carlucci)

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1 - D/DCI/RM [REDACTED]

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(21Jun78)

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8 November 1977

NFIP Procurement Policy

1. Purpose. The purpose of this Directive is to establish policy and reporting procedures for the procurement of goods and services by NFIP entities.
2. Responsibilities
 - a. The DCI is responsible for controlling the budget preparation and resource allocation for the NFIP.
 - b. The Code of Federal Regulations in Titles 41 and 32 establishes Federal and Armed Services procurement policy pursuant to the Armed Services Procurement Act of 1949, as amended, and the Federal Property and Administrative Services Act of 1949, as amended.
3. Applicability. This Directive shall apply to all purchases and contracts made by NFIP components, units and activities, within or outside the U.S., for the procurement, or acquisition, from non-Federal sources of personal property and non-personal services (including ADP&E and construction) by such means as purchasing, renting, leasing (including real property), contracting or bartering. It includes all functions that pertain to the obtaining of supplies and services, including description (but not determination) of requirements, selection and solicitation of sources, and preparation and award of contracts for supplies or services which obligate appropriated funds.
4. Policy. The following Policy and Guidance for the procurement of NFIP goods and services reaffirms and extends the general and permanent rules for procurement published in the Federal Register and codified under Titles 32 and 41 of the Code of Federal Regulations.
 - a. All procurement, whether by formal advertising, or by negotiation, within the limitations of statutory responsibilities to protect sensitive intelligence sources and methods, shall be made on a competitive basis to the maximum practical extent.

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NFIB-74.2/25

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b. When supplies or services are to be procured by negotiation, offers shall be solicited from the maximum number of qualified sources consistent with the nature and requirements of the supplies, or services, to be procured.

c. Negotiated procurements shall be on a competitive basis to the maximum practical extent. When a proposed procurement appears to be necessarily non-competitive, contracting officials are responsible not only for assuring that competitive procurement is not feasible, but also for acting whenever possible to avoid the need for subsequent non-competitive procurements. This action should include both examination of the reasons for the procurement being non-competitive and steps to foster competitive conditions for subsequent procurements, including possible break-out of components for competitive procurement. Except for procurement of utilities, and utility services, and educational services from nonprofit institutions, contracts in excess of \$10(K) shall not be negotiated on a non-competitive basis without prior review at a level higher than the initiating contract officer to assure compliance.

Appendix: Procurements, whether by formal advertising or by negotiation, generally shall be made by soliciting bids, proposals, or requests for quotations from the maximum number of qualified sources consistent with the nature and requirements of the supplies or services to be procured.

e. "Bidders" lists for procurement or other similar devices shall be established, maintained, and utilized to insure access to, and use of, the broadest possible base of U.S. industrial firms.

f. Purchases shall be made from, and contracts shall be awarded to, responsible prospective contractors only. Responsible prospective contractors shall meet the criteria set forth in Federal and Armed Services Procurement Regulations.

5. Action Required

a. Within the framework of applicable Armed Services and Federal Procurement Regulations, and consistent with statutory responsibility to protect sensitive intelligence sources and methods Agency Heads, Program

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NFIP-74.2/25

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Managers, and the heads of elements of departments and agencies within the Intelligence Community constituting the NFIP shall:

- ensure competitive involvement to the maximum extent possible in all procurement activities;
- broaden the scope of procurement actions and increase the number of qualified sources from which to solicit and accept bids, proposals, or quotations; and
- review criteria for designating responsible prospective contractors to broaden the base of U.S. firms supporting the NFIP.

b. In conjunction with the provision of recommended budgets to the DCI for preparation of the National Foreign Intelligence Program Budget, Agency Heads, Program Managers, and the heads of elements of departments and agencies within the Intelligence Community constituting the NFIP shall report the results of actions taken in accordance with the foregoing guidance. Reports should provide data on the total number and dollar value of competitive procurement actions that exceed \$10(K) for each action; the total number of firms involved, and the number of new firms included on lists of bidders during the prior fiscal year. The first required annual report on FY-78 procurement actions shall be submitted in conjunction with the FY-80 recommended budget.

DD/A Registry

File Equipment Supplies -4

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1	A/Deputy Director for Administration		3 JUL 1978
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4	D/OL		(by hand 7/5)
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6	Action: [REDACTED]		15 NW
	ACTION	DIRECT REPLY	PREPARE REPLY
	APPROVAL	DISPATCH	RECOMMENDATION
	COMMENT	FILE	RETURN
	CONCURRENCE	INFORMATION	SIGNATURE
<p>Remarks: Jack:</p> <p>Attached is the RMS call for the CIA Report on FY 1978 Procurement Actions (as required by NFIB-74.2/25 of 8 November 1977). We believe that OL is in the best position to assemble the contract information called for and to prepare the required report. Accordingly, action responsibility on this is assigned to the DDA.</p> <p>You may recall that OL commented on the initial draft of NFIB-74.2/25 and has been in contact with RMS representatives on what contract information is available in our files. We alerted OL a couple of weeks back that the attached would be issued soon and would include details on report format and content.</p> <p style="text-align: right;">(Over)</p>			
[REDACTED]		TURN TO SENDER	
[REDACTED]		TO PHONE NO.	DATE
James H. Taylor, Comptroller		30	JUN 1978
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The required report is due to RMS by 21 November covering FY 1978 procurement actions. Please have the report forwarded to this Office a few days in advance of the due date for review and transmittal to the RMS.

JHT

Washington, D.C. 20505

Approved For Release 2002/01/08 : CIA-RDP81-00142R000200040001-8
Intelligence Community Staff

JUN 26 1978

COMPT 78-0655

MEMORANDUM FOR: National Foreign Intelligence Program Managers

STATINTE FROM: [REDACTED]

Deputy to the DCI for Resource Management

SUBJECT: FY 1978 NFIP Procurement Actions

REFERENCE: NFIP Procurement Policy, dtd 8 Nov 1977
(NFIP-74.2/25, dtd 8 Nov 1977)

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d. Total dollar value of competitive procurement actions exceeding \$10K (for each action) taken during FY 1978 by appropriation/object-subobject class:

1) Operations

DoD (O&M)	CIAP	(Object Class 21; 22; 23; 24; 25, less sub-
	State/INR	object classes 2530,
	DOE	2542 and 2545; Object
	FBI	class 26 and 40.)

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SUBJECT: FY-1978 NFIP Procurement Actions

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2) Capital Assets

DoD (Procurement) CIAP (Object class 31)
State/INR
DOE
FBI

3) R&D

DoD (RDT&E) CIAP (Subobject class 2530)
State/INR
DOE
FBI

4) Construction

DoD (Mil. Constr.) CIAP (Object Class 32)
State/INR
DOE
FBI

1978

e. Total number of competitive procurement actions exceeding \$10K (for each action) taken during FY 1979 by appropriation/object-subobject class--as set forth in paragraph 2d. above.

f. Total number of competitive procurement actions exceeding \$10K (for each action) taken during FY 1978 with firms vended to NFIP entities in FY 1978 for the first time--as per subparagraph 2d. above.

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STATINTL

Distribution:

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- 1 - Principal Dep Under SecDef for R&E (Dinneen)
- 1 - Director, DIA (Tighe)
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- 1 - Director, NSA (Inman)
- 1 - Under Secretary of AF (Mark)
- 1 - S/A for National Security, Treasury (Collins)
- 1 - Director, State/INR (Bowdler)
- 1 - Director, Def Investigative Prog Office (Morrow)
- 1 - P/D Asst Sec for International Affairs, DOE (McDonald)
- 1 - Asst Director, Intel Division, FBI (Cregar)
- 1 - DCI
- 1 - DDCI (Carlucci)
- 1 - ER
- 1 - D/DCI/RM [REDACTED]
- 1 - D/DCI/CT [REDACTED]
- 1 - D/OPEI
- 1 - AD/OPP
- 1 - D/OPBD
- 1 - D/OCIS
- 1 - NFIB Secretariat
- 1 - IC Registry
- 1 - OPBD Subj
- 1 - OPBD Chrono
- 1 - DSG Chrono

STATINTL

STATINTL DCI/ICS/OPBD/DSG/ [REDACTED] (21Jun78)

8 November 1977

NFIP Procurement Policy

1. Purpose. The purpose of this Directive is to establish policy and reporting procedures for the procurement of goods and services by NFIP entities.
2. Responsibilities
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 - b. The Code of Federal Regulations in Titles 41 and 32 establishes Federal and Armed Services procurement policy pursuant to the Armed Services Procurement Act of 1949, as amended, and the Federal Property and Administrative Services Act of 1949, as amended.
3. Applicability. This Directive shall apply to all purchases and contracts made by NFIP components, units and activities, within or outside the U.S., for the procurement, or acquisition, from non-Federal sources of personal property and non-personal services (including ADP&E and construction) by such means as purchasing, renting, leasing (including real property), contracting or bartering. It includes all functions that pertain to the obtaining of supplies and services, including description (but not determination) of requirements, selection and solicitation of sources, and preparation and award of contracts for supplies or services which obligate appropriated funds.
4. Policy. The following Policy and Guidance for the procurement of NFIP goods and services reaffirms and extends the general and permanent rules for procurement published in the Federal Register and codified under Titles 32 and 41 of the Code of Federal Regulations.
 - a. All procurement, whether by formal advertising, or by negotiation, within the limitations of statutory responsibilities to protect sensitive intelligence sources and methods, shall be made on a competitive basis to the maximum practical extent.

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b. When supplies or services are to be procured by negotiation, offers shall be solicited from the maximum number of qualified sources consistent with the nature and requirements of the supplies, or services, to be procured.

c. Negotiated procurements shall be on a competitive basis to the maximum practical extent. When a proposed procurement appears to be necessarily non-competitive, contracting officials are responsible not only for assuring that competitive procurement is not feasible, but also for acting whenever possible to avoid the need for subsequent non-competitive procurements. This action should include both examination of the reasons for the procurement being non-competitive and steps to foster competitive conditions for subsequent procurements; including possible break-out of components for competitive procurement. Except for procurement of utilities, and utility services, and educational services from nonprofit institutions, contracts in excess of \$10(K) shall not be negotiated on a non-competitive basis without prior review at a level higher than the initiating contract officer to assure compliance.

d. Procurements, whether by formal advertising or by negotiation, generally shall be made by soliciting bids, proposals, or requests for quotations from the maximum number of qualified sources consistent with the nature and requirements of the supplies or services to be procured.

e. "Bidders" lists for procurement or other similar devices shall be established, maintained, and utilized to insure access to, and use of, the broadest possible base of U.S. industrial firms.

f. Purchases shall be made from, and contracts shall be awarded to, responsible prospective contractors only. Responsible prospective contractors shall meet the criteria set forth in Federal and Armed Services Procurement Regulations.

5. Action Required

a. Within the framework of applicable Armed Services and Federal Procurement Regulations, and consistent with statutory responsibility to protect sensitive intelligence sources and methods Agency Heads, Program

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Managers, and the heads of elements of departments and agencies within the Intelligence Community constituting the NFIP shall:

- ensure competitive involvement to the maximum extent possible in all procurement activities;
- broaden the scope of procurement actions and increase the number of qualified sources from which to solicit and accept bids, proposals, or quotations; and
- review criteria for designating responsible prospective contractors to broaden the base of U.S. firms supporting the NFIP.

b. In conjunction with the provision of recommended budgets to the DCI for preparation of the National Foreign Intelligence Program Budget, Agency Heads, Program Managers, and the heads of elements of departments and agencies within the Intelligence Community constituting the NFIP shall report the results of actions taken in accordance with the foregoing guidance. Reports should provide data on the total number and dollar value of competitive procurement actions that exceed \$10(K) for each action; the total number of firms involved, and the number of new firms included on lists of bidders during the prior fiscal year. The first required annual report on FY-78 procurement actions shall be submitted in conjunction with the FY-80 recommended budget.

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DD/A Registry
78-0775/1

27 FEB 1978

DD/A Registry

File E-2-4

MEMORANDUM FOR: Assistant Comptroller for Resources
FROM: Michael J. Malanick
Associate Deputy Director for Administration
SUBJECT: Fiscal Year 1979 Procurement Plans (A/IUO)
REFERENCE: Your memo dtd 24 Feb 78 same subject
(COMPT 78-0194)

(A/IUO) Pursuant to request contained in reference
there is attached hereto a list of procurements, costing
\$50,000 or more, planned by Administration Directorate
components for FY 1979.

Michael J. Malanick

Michael J. Malanick

Attachment:
As Stated

Distribution:
Orig - Addressee, w/att
① - DDA Subject, w/att
1 - DDA Chrono, w/o att
1 - MJM Chrono, w/att
2 - Budget Staff, DDA, w/att

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DDA/BS/ [REDACTED] (27 Feb 78)

Downgraded to A/IUO
Upon Removal of Attachment

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FY 1979 Planned Procurements
(Dollars in Thousands)

<u>Item</u>	<u>Quantity</u>	<u>Unit Cost</u>	<u>Total</u>
<u>OFFICE OF LOGISTICS</u>			
1. Single Color Press	1	\$112	\$ 112
2. ETEC System Expansion Items			
a. Tape Drive	1	30	
b. Eight Video Display Terminals (VDT's)	8	6.25	
c. Software	1	25	105
3. Secure Voice and Data System Enhancements (Primarily Conduits)	1	138	<u>138</u>
TOTAL, Office of Logistics			<u>\$ 355</u>

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DD/A Registry
78-0795

MEMORANDUM FOR: ~~Deputy Director for Administration~~
Deputy Director for Operations
Deputy Director for Science and Technology
Director, National Foreign Assessment Center
Administrative Officer/DCI

SUBJECT : Fiscal Year 1979 Procurement Plans (A/IUO)

1.(A/IUO) The staff of the House Permanent Select Committee on Intelligence (HPSCI) has requested a listing of planned procurements included in the FY 1979 CIA Budget request. These data are requested to assist in the HPSCI analysis of our budget request prior to the scheduled hearing on 7 March 1978.

2.(A/IUO) Please identify by major component, funds budgeted for procurement of individual line items or systems costing \$50,000 or more each and provide a list of such items or systems (sample format attached) to this Office by close of business 27 February 1978. The requested information on planned procurements must be forwarded to HPSCI on 28 February 1978 along with the Agency's prepared statement to be used at the hearing on our budget.

STATOTHR

3.(A/IUO) Please contact [REDACTED] of my staff ([REDACTED] 25X1A if you desire additional information.

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[REDACTED]
Assistant Comptroller, Resources

Attachment: As Stated

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[Signature]

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